

# The World Beyond the PC

## National Semiconductor The IA Market Leader

Name: Gary Saunders

Title: Vice President-Business Development  
Worldwide Marketing & Sales

Company: National Semiconductor Corporation



San Jose January 23-24, 2001



Taipei February 14-15, 2001

# Agenda

- Consumer needs
- The Opportunity
- Market Update
- Partner Network

# Consumer Needs

- Simplification
- Productivity
- Convenience
- Entertainment

# **“One Box Fits All” Syndrome!**

**#1 Internet access tool...**  
**... but a bottleneck**

**Too expensive**

**Difficult to connect**

**Frustrating**

**Complex**

**Limited mobility**





# Requirements

Specialization

Price



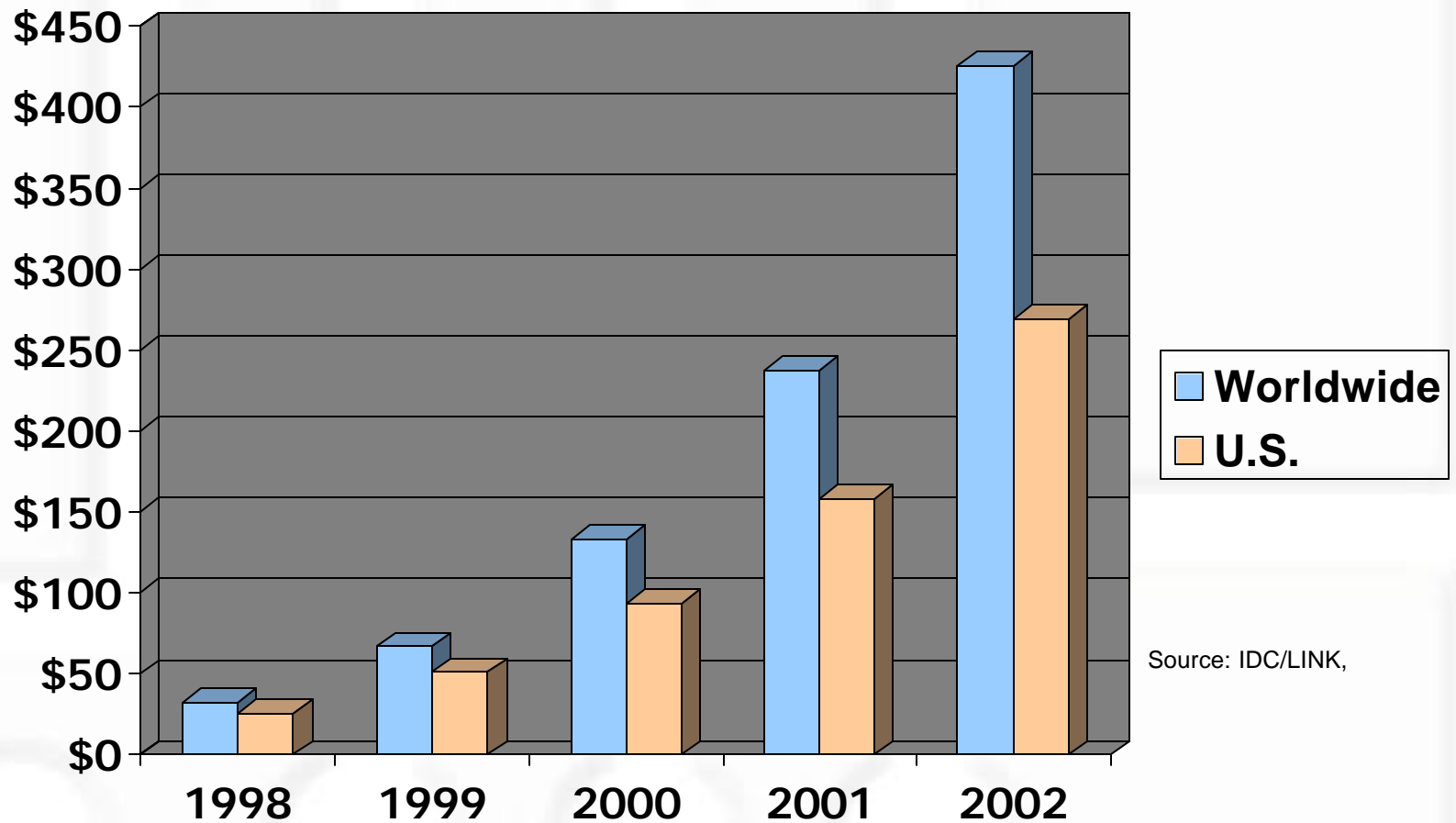
Ease of Use

Aesthetics

*All Appliances connect to the Internet*

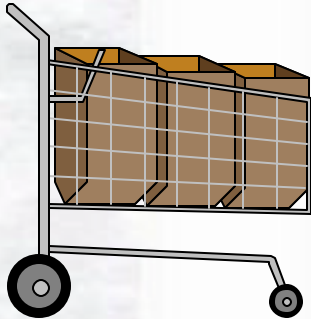
# E-Commerce Revenue

Billions of Dollars



Source: IDC/LINK,

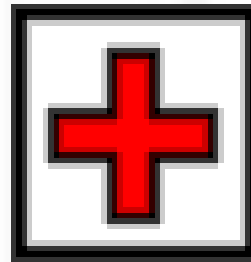
# E-Commerce Focused Services



On-Line Shopping



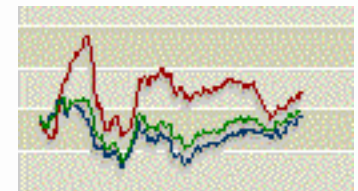
Music



Telemedicine



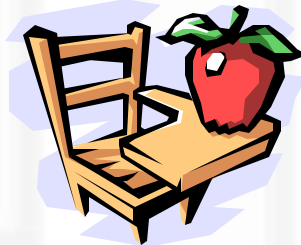
Home Banking



On-Line Trading



Travel



Education



AutoPC



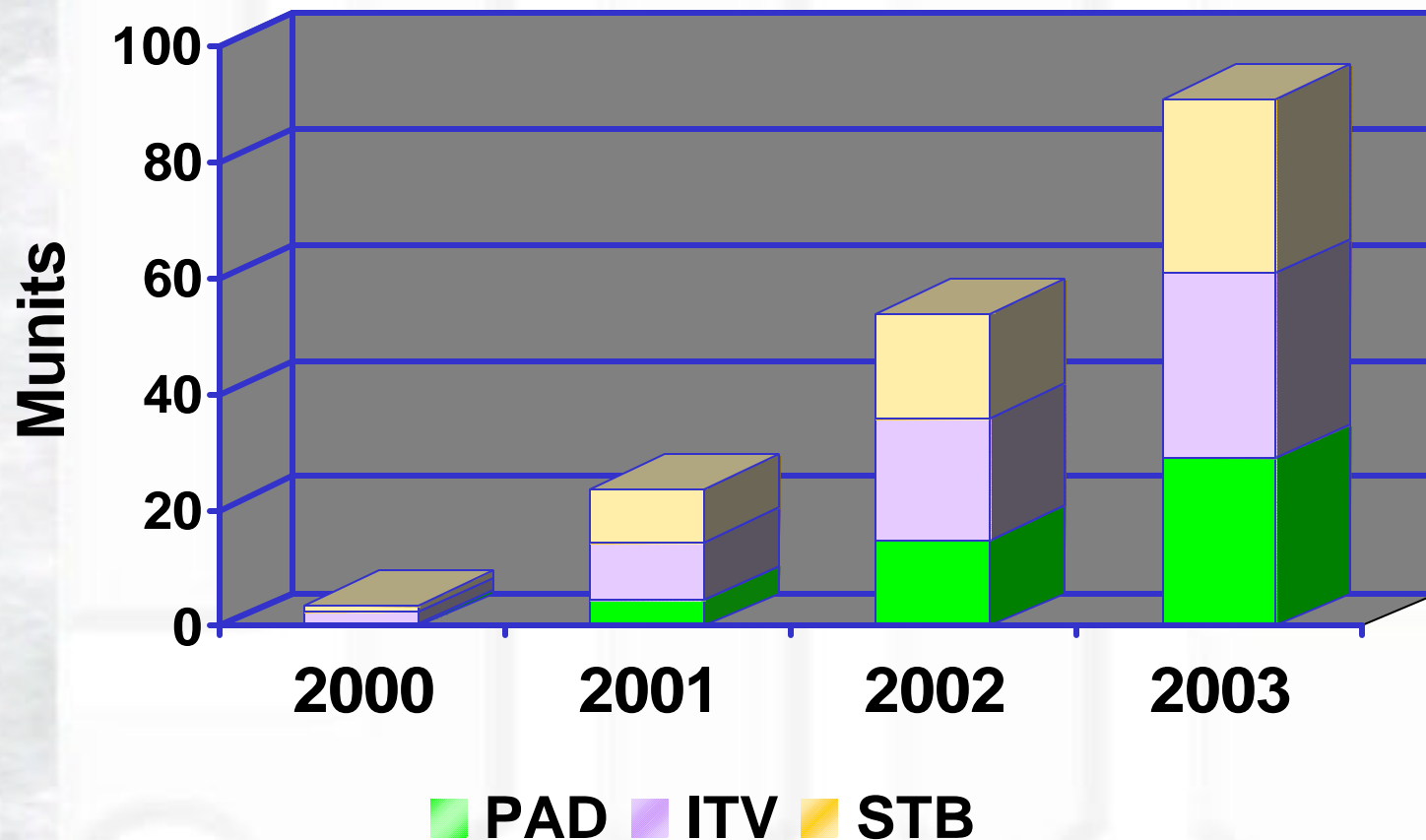
E-Books



Web Browsing

**Consumers Must Easily Understand a New Product's Value**

# Information Appliance Market



# IA Channels to the Consumer

- Network Operators
  - ISP, Telco, Cable, Satellite
- New Broadband Service Providers
  - Utilities, Hospitality, Planned Communities
- Affinity Programs
  - Financial Institutions, On-line Shopping, Clubs
- Retail
  - PC OEMs, Consumer electronics firms
- Home appliances & security/control
  - White goods & security system manufacturers

# Market Update

- Subsidies a thing of the past
- Devices must stand on their own
- IAs do not replace PCs
- Newbies and existing PC owners
- Narrowband/Broadband segmentation

# With Broadband Comes

- The triple play
  - VOIP
  - VOD
  - Web
- Music On Demand
- Unified Messaging
- Streaming Media

# USA Broadband Adoption

(Homes in millions)	1999	2000	2001	2002	2003	2004	2005
Cable modems	1.4	3.3	5.5	7.9	10.1	12.1	13.8
xDSL	0.3	1.2	2.5	4.4	6.8	9.3	11.8
Satellite	0.1	0.1	0.3	0.5	0.8	1.1	1.4
Fixed wireless	0	0.1	0.2	0.4	0.8	1.3	1.8
Dial-up	43.6	48.4	51.2	52.6	52.9	52.1	51.4
Total	45.4	53.1	59.7	65.8	71.4	75.9	80.2

Source: Jupiter Media Metrix



# The IA Value Chain

## Technology Enablers

- Other Si Providers
- Design Houses
- Software Companies

## Content

- Portals
- Entertainment/Media
- E-Commerce Apps
- Affinity Partners
- ASPs

## Delivery

- ISPs
- Telcos
- Cable Ops
- Satellite Ops
- MSOs



## OEMs ODMs

- Purchase Si/Components
- Mfg/Assembly/Test
- Branding/Distribution

# Information Appliance Market Partnership Model

- No one company has all technologies
- Collaborative development approach
- Time-to-market
- Innovation

# Where Does National Stand Today?

*Customers & Partners*



3COM

ERICSSON

insyde™

**Microsoft®**



PROVIEW

Acer ◀♦

KONKA



PHILIPS



Arima



*and many more...*

# Comdex & CES Announcements

- Sony e-villa
- 3Com Audrey
- Samsung PAD
- Philips PAD
- Metricom wireless PAD

# Recent Awards



Geode™ Processor  
Best Highly Integrated Processor  
Microprocessor Report Analyst's Choice 2000 Award



Geode™ WebPAD™ Platform  
Products of the Year Award  
EE Product News



Geode™ WebPAD™ Metro from National & Metricon  
Best of Show (services)  
Comdex 2000

# National Semiconductor is the Leader in IA Market



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# National Semiconductor Seminar

“Designing, Developing and Deploying  
Internet Appliances”

**Room 101D**